

# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## NOTICE

**DOCKET:** 97-01262

**IN RE:** PETITION TO CONVENE A CONTESTED  
CASE PROCEEDING TO ESTABLISH  
PERMANENT PRICES FOR  
INTERCONNECTION AND UNBUNDLED  
NETWORK ELEMENTS.

**DATE:** April 10, 2000

In its Local Competition Order, Docket 96-325, the FCC required each state to deaverage rates for unbundled network elements and interconnection in at least three geographic areas.<sup>1</sup> Subsequently, in September 1996 the U.S. Court of Appeals for the Eighth Circuit stayed the Commission's section 251 pricing rules pending a ruling on the appeal and vacated the Commission's deaveraging rule in July 1997. The Eighth Circuit's decision was reversed by the U.S. Supreme Court on January 25, 1999. Following this reversal the FCC stayed the effectiveness of §51.507(f) "until six months after the FCC released its order in CC Docket No. 96-45 finalizing and ordering implementation of high-cost universal service support for non-rural LECs."<sup>2</sup> On November 2, 1999 the FCC stated "Now that we have adopted an order in Docket No. 96-45 finalizing and ordering implementation of intrastate high cost universal service support for non-rural LECs, state commissions can consider deaveraging in concert with the federal high-cost support that will be available in the intrastate jurisdiction. Consequently, the stay that has been in effect since May 7, 1999, shall be lifted on May 1, 2000."<sup>3</sup>

The proxy prices, adopted by the Tennessee Regulatory Authority in Dockets 96-01152 and 96-01271 and currently in effect under Docket 97-01262, are not deaveraged to a minimum of three geographic zones. Therefore, it becomes necessary to revise these proxy prices to comply with §51.507(f). These proxy rates will ultimately be replaced with permanent UNE rates.

<sup>1</sup> Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Report and Order, 11FCC RCD 15499 (1996).

<sup>2</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, para. 120, November 2, 1999

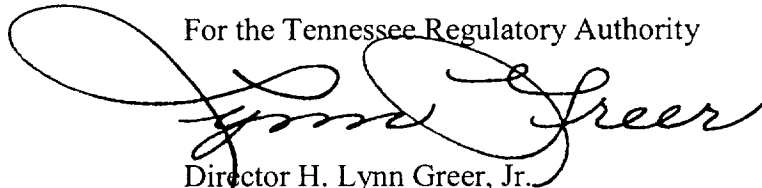
<sup>3</sup> Ibid.



**Therefore, parties in Docket 97-01262 are requested to file proposals to deaverage proxy UNE prices in compliance with the FCC's rules by 4:00 p.m. Friday, April 14, 2000. Parties who wish to file comments on the proposed deaveraged proxy rates, must do so by 2:00 p.m. on Wednesday, April 19, 2000.**

All proposals and comments should be in writing and filed with the Office of Executive Secretary of the Authority. Copies of the proposals, comments, and all other filings with the Authority with respect to this Docket must be served on all parties. Any motion to modify the deadline contained herein must be made in writing, and filed with the office of the Executive Secretary.

For the Tennessee Regulatory Authority

A handwritten signature in dark ink, appearing to read "H. Lynn Greer, Jr.", is written over the typed name. The signature is fluid and cursive, with a large loop at the beginning and end.

Director H. Lynn Greer, Jr.  
Hearing Officer

Cc: Parties of Record